

13th UIC Sustainability Conference



The FS Group
approach to sustainability

GRI G4 Reporting: Challenges for rail sector

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12, 13, 14 October 2016

Agenda



1. The new FS approach to sustainability

2. Sustainable practices

- ❖ Stakeholders engagement
- ❖ Towards the integrated reporting



The new FS Group approach to sustainability

The new approach to sustainability of the FS Group permeates the full organizational structure ensuring integration of environmental, social and economical aspects within strategic business decisions



VISION

COMMITMENT

OBJECTIVES

GOVERNANCE

Sustainability as a strategic tool in business decisions



The new FS approach to sustainability

Vision e commitment



VISION:

*Implement an offer of mobility and logistic services **integrated and sustainable**, creating value in Italy and abroad.*



Economical commitment

*Being leader in the field of **mobility** by promoting quality and efficiency of transport and infrastructure services*



Social commitment

*Being a leading actor of **integrated mobility** promoting, through a virtuous business model, an inclusive and fair society*



Environmental commitment

*Being pioneers in developing and implementing large-scale integrated mobility solutions helping to **regenerate natural capital***



The new FS approach to sustainability

The Strategic Plan



Strategic outlines



Environment

- **Energy efficiency of railway and passenger transport:** losses reduction in electric substations, eco-drive, on-board energy meter, smart parking, new buses
- **Energy efficiency in stations and real estate:** LED technology, energy improvement of services
- **Reduce environmental impacts of energy supply:** PV system, micro-generation, certified sustainable energy
- **Optimization of utilities:** electricity, water, methane,...

↓ energy
↓ CO₂
↓ NO_x
↓ water



Safety

- Reduce the number of injuries
- Reduce frequency of injuries (n. injuries per 1000 workers)

↓ injuries
↓ frequency of injuries



Community

- Renovation of real estate and train stations for social purposes
- Promote realizations of greenways

↑ social improvement
↑ no core assets reputation



Human resources

- **Development and fostering of key people** (graduates, managers,...)
- **Support the professional grow of people** based on equity, values and transparency
- Diversity management and gender gap reduction
- **Employer branding:** development of attractiveness

↑ attractiveness
↑ skills
↑ lever
↑ productivity
↓ gender gap



The new FS approach to sustainability

Governance – Sustainability Committee (Mission and responsibilities)

The Sustainability Committee assures value creation for all the internal and external stakeholders, with respect to the sustainable development principles



Mission

- ❑ Guarantee the integration of social and environmental aspects into the strategies of the Group as well as the promotion of principles and values of sustainable development with respect to the expectations and needs of all the stakeholders.



Responsibilities

- ❑ drawing up the **Group vision**, in compliance with the environmental and social dimensions along with the business, to be approved by the Board of Directors of FS;
- ❑ define **long-term objectives and action plans**, as per the Group vision, to be approved by the Board of Directors of FS;
- ❑ ensure the **elaboration of the long-term objectives in short / medium term objectives** to be integrated in the business plan;
- ❑ evaluate the Group **sustainability performance** and resolve any critical issues, through the establishment of inter-companies work tables;
- ❑ ensure **stakeholder dialogues** through engagement processes;
- ❑ ensure the dialogue with Ethic, Investment and Equal Opportunities Committees, **to manage potential risks and opportunities**.



The new FS approach to sustainability

The new Governance – Sustainability Committee (Composition)

The Sustainability Committee includes the main operating companies of the Group and the central divisions that will ensure the control of the three dimensions of sustainability



Composition

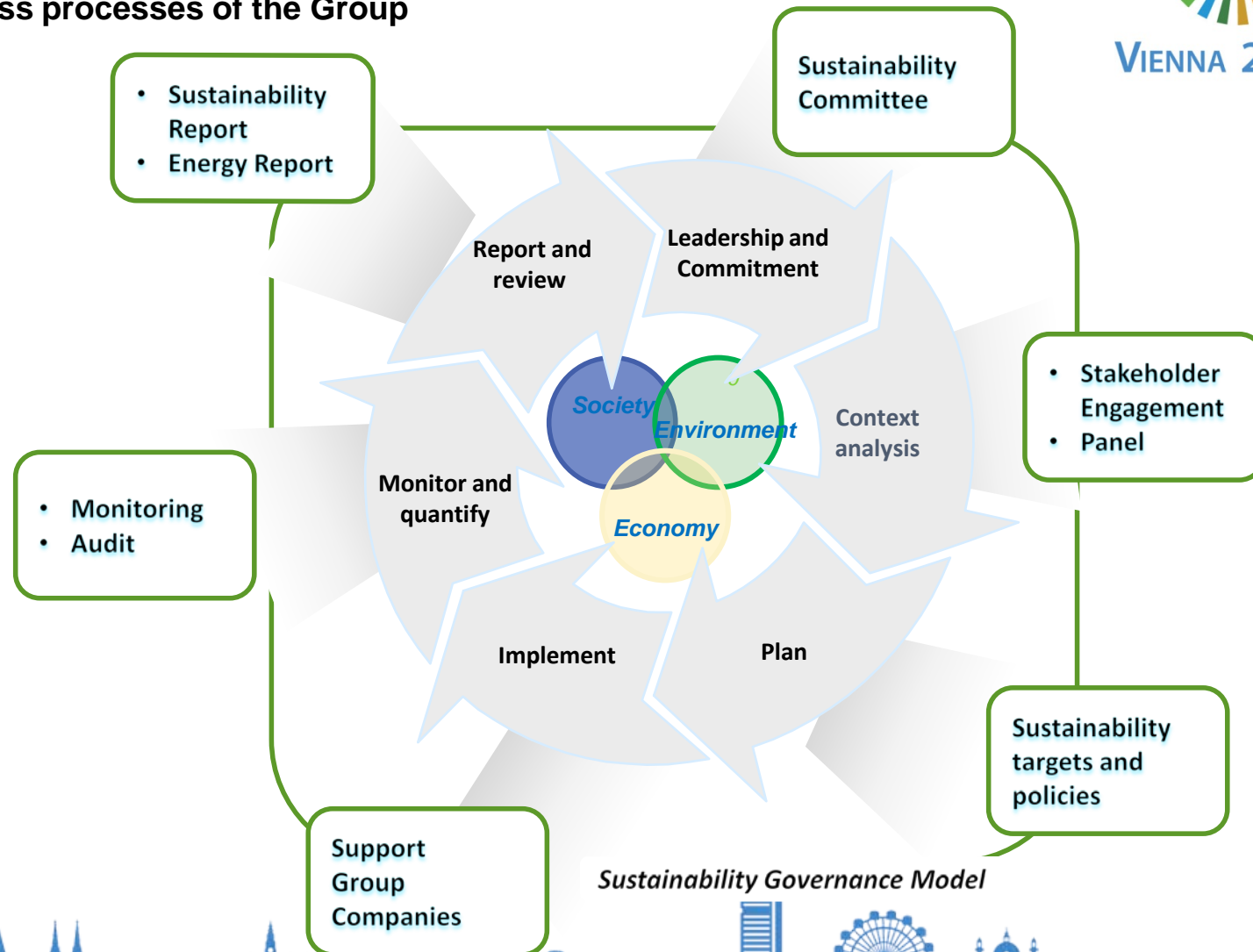
- ☐ The Committee is appointed by the CEO
- ☐ It consists of the President and 8 permanent members
- ☐ Permanent members of the Committee are:
 - ☐ CEO of FS Italiane, as the President
 - ☐ CEO of Trenitalia
 - ☐ CEO of RFI
 - ☐ Director of Strategy, Planning and Sustainability dpt – FS SpA
 - ☐ Director of Human Resource and Organisation dpt – FS SpA
 - ☐ Director of External Communication and Media dpt – FS SpA
 - ☐ Director of Finance and Control and Asset dpt – FS SpA
 - ☐ Director of Administration, Budget and Tax dpt – FS SpA
 - ☐ Head of Sustainability
- ☐ The Committee may use external professional contributions



The new FS approach to sustainability

The new Governance

Promoting, leading and monitoring integration of sustainability tasks in business processes of the Group



Agenda



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2. Sustainable practices

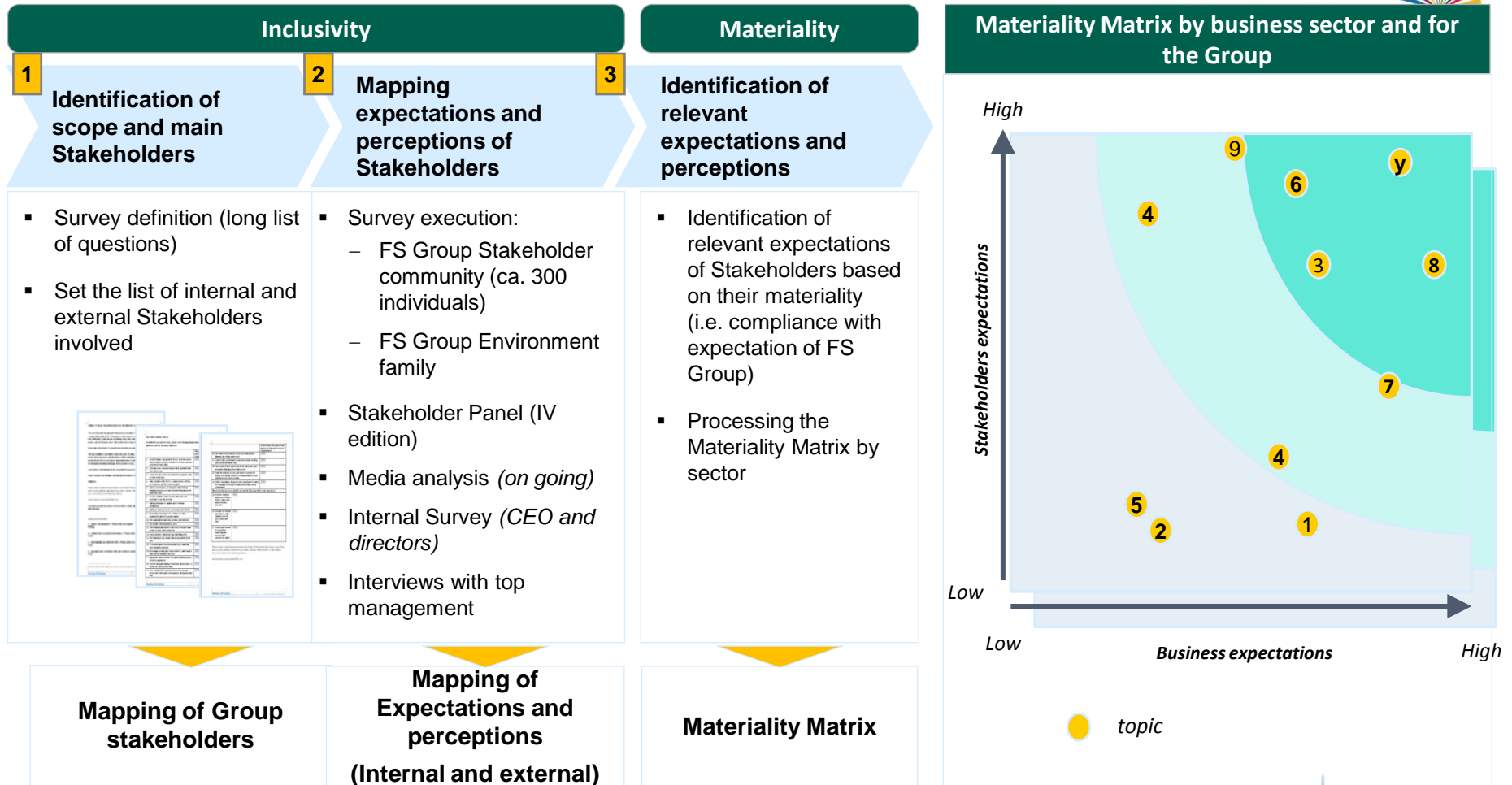
- ❖ Stakeholders engagement
- ❖ Towards the integrated reporting



Sustainable practices - Stakeholders engagement

The stakeholder engagement process

The Group decided to engage all its significant stakeholders in the process of sustainability performance improvement starting from the definition of a materiality matrix



Sustainable practices – Stakeholders engagement

The Stakeholder Panel

Since 2013, the Group involves its significant stakeholders in a yearly Panel



The Group's commitment to transparent reporting



Home > Commitment > Stakeholder Engagement

- Environmental Commitment
- Commitment to mobility
- Commitment to people
- Commitment to culture
- FS for the Jubilee
- Expo Milano 2015
- Sustainability report
- Stakeholder Engagement**
 - > Environment
 - > Long-Distance Passengers
 - > Short-Distance Passengers
 - > Stations
 - > Community

Stakeholder Engagement

FS Italiane organizes, since 2013, an yearly exercise with its main stakeholders aimed at:

- detecting and understanding what is paramount for stakeholders, regarding the economic, social and environmental impact of the company's strategic activities;
- gathering feedbacks, recommendations and concrete proposals that can power the path of improvement in social and environmental responsibility of FS Italiane Group;

On October the 20th, 2015, the third edition of the FS Italiane' Stakeholder Engagement Panel was held in Milan. FS Italiane invited its stakeholder to elaborate specific recommendations on how to improve the Group's economic, environmental and social sustainable approach.

Five themes were the focus of the 2015 edition, selected through a stakeholder consultation process:

Environment	Environmental impact of infrastructures: community involvement
Short-Distance Passengers	Modal integration in urban areas
Long-Distance Passengers	On-board services
Stations	Structures, locations and security
Community	Social cohesion and creation of shared value (CSV)

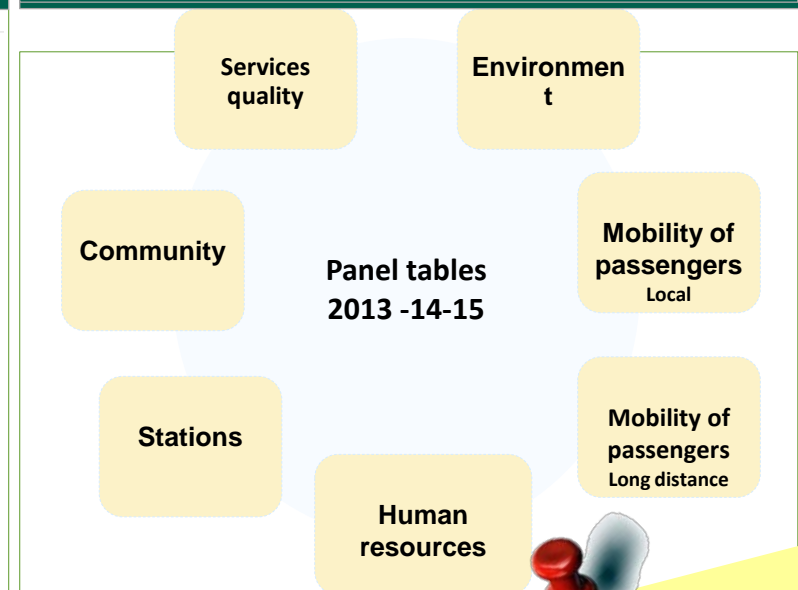
The meeting was attended by about 50 stakeholders: representatives of employers, public administrations, research institutes, experts, universities, business associations, consumer groups, professional associations, civil society organizations, specialized press, citizens and internal representatives.

The output of the meeting were a series of proposal which the FS Group committed to carefully analyze, giving a timely and public feedback. The feedback are online.

- > Environment: stakeholder feedback
- > Short-Distance Passengers: stakeholder feedback
- > Long-Distance Passengers: stakeholder feedback
- > Stations: stakeholder feedback
- > Community: stakeholder feedback

<http://www.fsitaliane.it/fsi-en/Commitment/Stakeholder-Engagement/Stakeholder-Engagement>

The tables of the Panel

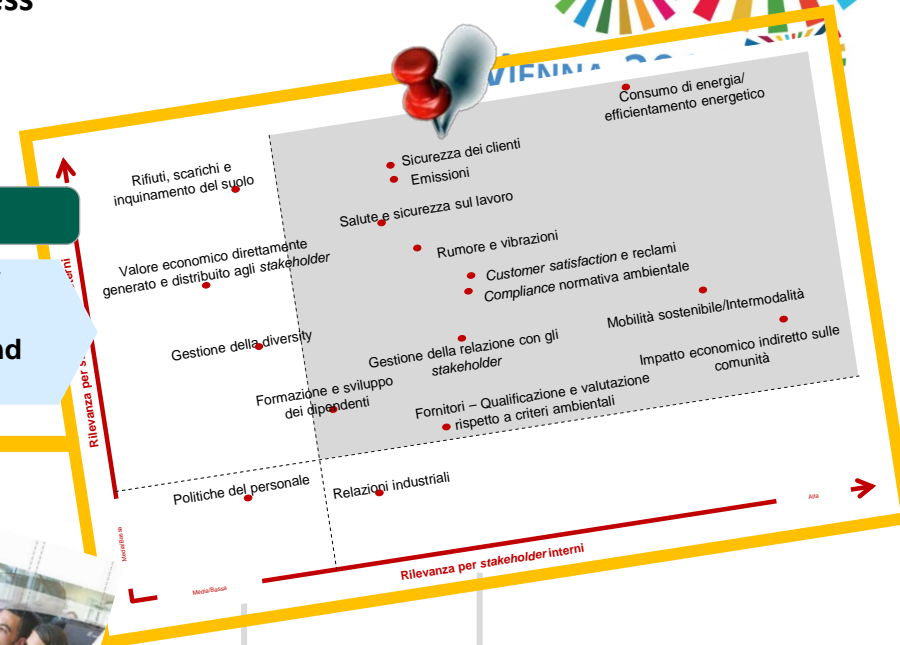
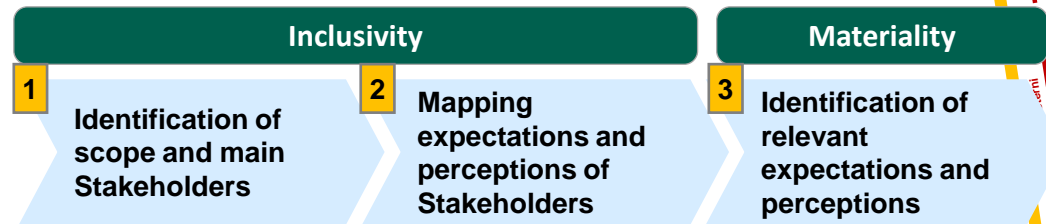


From 2013 to date, the Group has collected 65 proposals, of which 28 have already been completed and 30 are being implemented. 7 were rejected.

Sustainable practices - Stakeholders engagement

Input to materiality

Stakeholder expectations are a critical input to set correctly the materiality matrix which is ultimately the starting point of the reporting process



reporting
process



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Sustainable practices - Towards the integrated reporting

Sustainable report – As Is

Since 2007 the engagement of the Group in sustainable development is spread by the Sustainability Report

General standard disclosures

- Group profile
- Corporate Governance
- Strategy and Analysis
- Stakeholder engagement

Specific standard disclosures

Economic

- Results of operations
- Investments
- Funding



Social

- Human resources
- Safety
- Customer care
- Customer satisfaction
- Community
- Human right



Environmental

- Energy
- Emissions
- Land
- Waste
- Noise
- Other impacts (i.e. water)



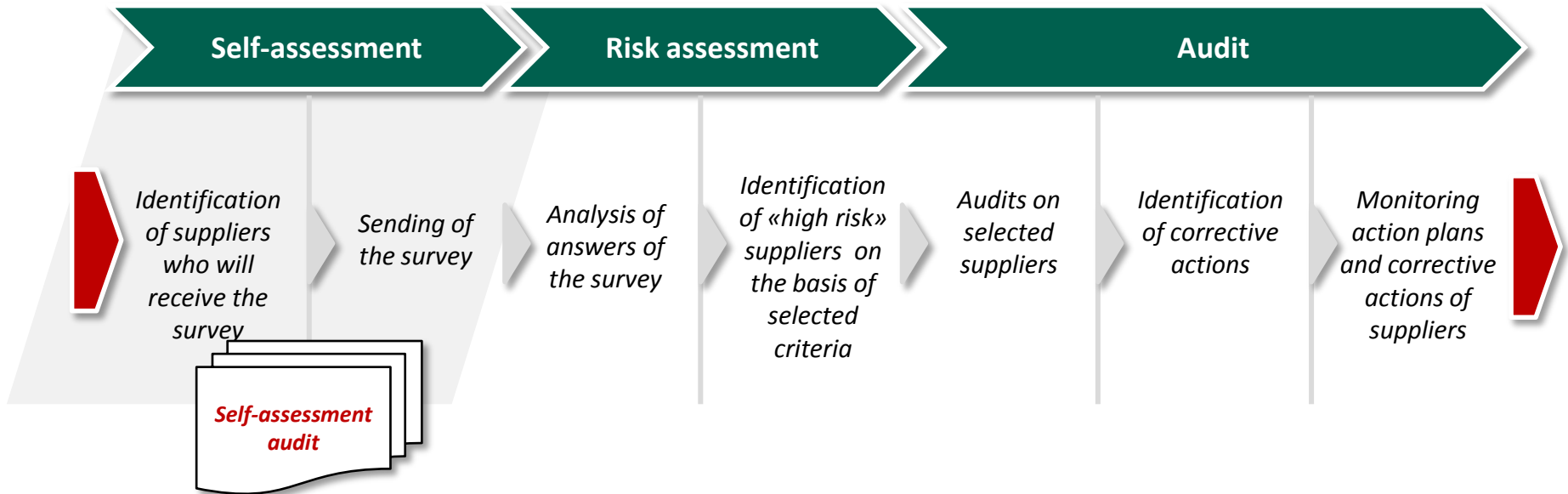
The 9th edition of Sustainability Report is compliant to GRI-G4 new reporting criteria, «Comprehensive»



Sustainable practices - Towards the integrated reporting

Supply chain

The latest GRI G4 standard focus on supply chain



Sustainable practices - sustainability reporting

Next steps

Next steps of sustainable reporting of the Group:

